

Summary of Brownfields Grants Guidelines

On January 11, 2002, President George W. Bush signed into law the *Small Business Liability Relief and Brownfields Revitalization Act*. The Brownfields Law expands potential federal financial assistance for brownfield revitalization, including grants for assessment, cleanup, and job training. The new law also limits the liability of certain contiguous property owners and prospective purchasers of brownfield properties, and clarifies innocent landowner defenses to encourage revitalization and reuse of brownfield sites. The Brownfields Law also includes provisions to establish and enhance state and tribal response programs, which will continue to play a critical role in the successful cleanup and revitalization of brownfields.

This summary highlights the new grant guidelines and select provisions of the new law relevant to applicants.

Fiscal Year 2003 Grant Guideline Highlights

The FY03 Brownfields Grant Guideline is a document that provides applicants with information on requirements for applying for three types of Brownfields grants: assessment grants, revolving loan fund (RLF) grants, and, new in FY03, direct cleanup grants. These grants are authorized under Subtitle A of the new Brownfields law to promote the cleanup and redevelopment of brownfields by providing financial assistance for revitalization efforts. Job training grant guidelines and Grant Funding Guidance for State and Tribal Response programs under Subtitle C of the Brownfields law are being published separately.

The FY03 Brownfields grant guidelines reflect a new approach. The proposal process has also been streamlined to allow applicants to prepare an initial proposal for funding under three different types of grants: assessment, RLF and direct cleanup. EPA will review the applicants' Initial Proposals, and, after ranking, will invite a subset of these applicants to submit to EPA their final proposals.

Eligible Entities

A wide range of governmental entities are eligible for assessment, RLF and direct cleanup grants. Eligible governmental entities include states, tribes, local governments, councils of government, and state chartered redevelopment agencies.

In addition, the new Brownfields law provides two new ways in which non profit organizations may receive funding to clean up sites that they own. Non profit organizations may apply directly to EPA for cleanup grants for sites that they own. In addition, governmental RLF grant recipients may use their funding to award cleanup subgrants to other eligible entities, which now includes certain non profit organizations. Cleanup grants and RLF subgrants, unlike RLF loans, do not need to be repaid.

Grant Funding Amounts

Eligible governmental entities may apply for up to \$400,000 in assessment funding—up to \$200,000 of which has to be used to address sites contaminated by hazardous substances, pollutants or contaminants, and up to \$200,000 of which has to be used to address sites contaminated by petroleum. Applicants may request a waiver of the \$200,000 site limits up to a \$350,000 site limit, based on the anticipated level of contamination, size, or status of ownership. Due to budget limitations, no entity may apply for funding assessment activities in excess of \$700,000.

Eligible governmental entities may apply for up to \$1 million for an initial RLF grant. Coalitions—groups of eligible entities—may apply together under one grant recipient for up to \$1 million per eligible entity. Revolving loan funds generally are used to provide no-interest or lower-interest loans for brownfields cleanups. The new Brownfields law requires the applicant to contribute a 20 percent cost sharing for RLF awards; this cost share may be in the form of money or, labor, material or services that would be eligible and allowable costs under the RLF grant. Applicants may request waivers of the cost share requirements based on hardship, as described in the guideline.

Eligible governmental entities may apply for up to \$200,000 per site for cleanup grants for sites they own. Due to budget limitations, no entity should apply for cleanup grants at more than five sites. Cleanup grants also require the applicant to contribute a 20 percent cost sharing for cleanup grant awards; this cost share may be in the form of money, labor, material or services that would be eligible and allowable costs under the cleanup grant.. Applicants may request waivers of the cost share requirements based on hardship, as described in the guideline.

Grant Application Schedule and Details

Initial Proposals must be postmarked or sent via registered or tracked mail to the appropriate Regional representative by December 16, 2002 with a copy to Headquarters. Applicants are encouraged to work with their EPA Regional Brownfields Contacts in the preparation of their Initial Proposals.